

**REPORT OF THE AUDITOR OF PUBLIC ACCOUNTS
AGREED-UPON PROCEDURES ENGAGEMENT
OF THE
ESTILL COUNTY
PROPERTY VALUATION ADMINISTRATOR**

**For The Period
July 1, 2006 Through June 30, 2007**



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AUDITOR OF PUBLIC ACCOUNTS

Independent Accountant's Report

Robert M. Burnside, Secretary, Finance and Administration Cabinet
The Honorable Deborah Dunaway Barnes
Estill County Property Valuation Administrator
Irvine, Kentucky 40336

We have performed the procedures enumerated below, which were agreed to by the Estill County Property Valuation Administrator (PVA), solely to assist you with the accountability for statutory contribution receipts and disbursements, including capital outlay disbursements, city government receipts, recordkeeping, and leases and contracts for the period July 1, 2006 through June 30, 2007. This engagement to apply agreed-upon procedures was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the Estill County PVA. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

1. Procedure -

Determine if the PVA has a receipts ledger, a disbursements ledger, and reconciles bank records to books each month. Re-perform the year-end bank reconciliation (June 30, 2007), for all bank accounts, to determine if amounts are accurate.

Finding -

PVA maintains a receipts ledger, a disbursements ledger, and reconciles bank records to books each month. Year-end bank reconciliations were re-performed and amounts are accurate.

2. Procedure -

Confirm any and all payments by the city to the PVA. Compare recorded city receipts to confirmed payment amounts obtained from city governments. Also review the list of city receipts for completeness.

Finding -

All city payments were confirmed, agreed to the receipt ledger, and were traced to bank deposits.



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(Continued)

3. Procedure -

Confirm any and all payments made by the fiscal court to the PVA. Compare the budgeted statutory contribution by fiscal court to the legally required amounts calculated by the Department of Revenue. Trace the fiscal court payments from the fiscal court statutory contribution budget account to the PVA's local bank account.

Finding -

Budgeted statutory contributions by the fiscal court agree to the amount calculated by the Department of Revenue. Payment was traced from fiscal court's budget account to the PVA's bank deposit.

4. Procedure -

Judgmentally select 15 disbursements from PVA records and agree amounts to cancelled checks, paid invoices or other supporting documentation. Determine if the expenditure is for official business. Review all credit card statements (if any) to determine if expenditures are for official business.

Finding -

Expenditures agree to recorded amounts and supporting documentation. All expenditures tested were for official business. No credit card transactions were noted.

5. Procedure -

Compare capital outlay disbursements with cancelled checks, supporting documentation, and proper purchasing procedures. Verify the location of newly acquired assets. Determine if assets were added to the PVA's Capital Asset Inventory List.

Finding -

Capital outlay disbursements were included in expenditures testing and agreed with the disbursements ledger, cancelled checks, and supporting documentation. Proper purchasing procedures were followed. Newly acquired assets were verified and these assets were included on the PVA's Capital Asset Inventory Listing.

6. Procedure -

Scan vehicle lease agreements, personal service contracts, and professional service contracts for cost schedules and compare to actual payments. Determine if services received were appropriate, for official business, and properly authorized.

Finding -

No vehicle lease agreements, personal service contracts, or professional service contracts were noted. One lease agreement with Xerox was noted for the lease of a copy machine. Services received were appropriate, for official business, and properly authorized.

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7. Procedure -

Compare PVA's final budget to actual expenditures to determine if PVA overspent in any account series.

Finding -

The PVA did not overspend her budget in total for any account series.

8. Procedure -

Determine whether collateral is necessary for the PVA's funds. If necessary determine if a collateral agreement exists.

Finding -

Balance did not exceed FDIC coverage; therefore, a collateral security agreement is not necessary.

9. Procedure -

Determine whether timesheets are completed, maintained, approved, and support hours worked.

Finding -

Timesheets were completed, maintained, approved, and support hours worked.

10. Procedure -

Determine whether cash balances were properly transferred from former PVA to new PVA.

Finding -

This procedure was not necessary since there was not a change in PVA.

11. Procedure -

For newly hired employees, during July 1, 2006 through June 30, 2007, of the PVA's office determine if the Ethics Certification Form has been completed and is on file.

Finding -

This procedure was not necessary since there were no newly hired employees the period.

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12. Procedure -

Determine if the PVA's office was closed any day other than the state's approved holidays. If so, determine if the proper procedures and forms were completed.

Finding -

The PVA's office was closed the entire day on Good Friday and proper procedures and forms were completed. In addition, employees took off personal leave time to account for this and it is documented on the time sheets.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on the receipts and disbursements, including capital outlay disbursements, city government receipts, recordkeeping, and leases and contracts. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Property Valuation Administrator and the Department of Revenue and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Crit Luallen", with a long horizontal flourish extending to the right.

Crit Luallen
Auditor of Public Accounts

August 29, 2007

